

PURDUE

AGRICULTURAL ECONOMICS REPORT

A Picture of Self-Employed Women in the Midwest

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This article examines gender differences in self-employment composition and outcomes across the Midwest. It finds that while non-family businesses dominate overall, women are more concentrated in lower-profit firms, with family businesses playing a central role in higher earnings and intra-household caregiving distribution.

Summary

In this article, we analyze the self-employed population of the Midwest using the NCR-Stat: Baseline Survey 2024, focusing on business characteristics and gender differences among individuals engaged in family and non-family businesses, particularly women. The main findings are as follows:

- The largest concentration of self-employed individuals, both in family and non-family businesses, is found in Iowa. For family businesses, this top position is shared with Indiana.
- Both men and women are majorly self-employed in non-family businesses, although this share is higher among women (70.9%).
- Female sole proprietors are more likely than male sole proprietors to operate businesses with annual profits below \$10,000. Overall, self-employed men are higher profit-earners.
- Across business types, married women with present spouses are the largest group of self-employed (32.4% in non-family and 33.9% in family businesses).
- Among women in family businesses, the majority reside in rural areas (43.3%). In contrast, only 24% of women running non-family businesses live in rural locations.

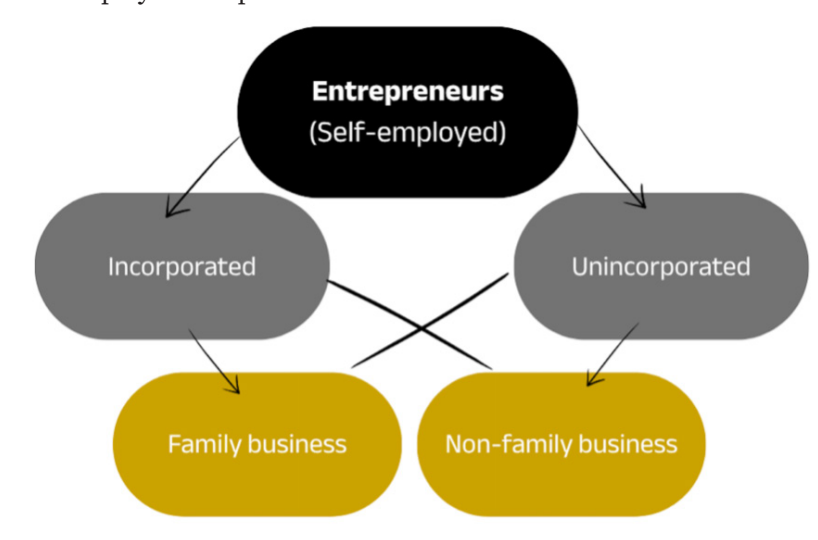
Introduction

Family businesses or firms are described as “companies of various sizes controlled by one or more owners tied by family relationship or solid alliances” (Corbetta, 2001). In contrast, non-family businesses are owned by individuals with no familial relationship and with no intent of intergenerational transfer of the firm. Using the NCR-Stat: Baseline Survey 2024 (Bednarik et al., 2025), a household survey with 4,383 respondents, of whom 9.4% are self-employed, we analyze self-employment in the Midwest and differing outcomes according to family or non-family business status and the current standing of women in these businesses.

Small businesses, family and non-family businesses, generally run by the self-employed, highly contribute to community development through increased employment, greater shock resilience, more stable incomes and greater local education investment (Walzer & Blanke, 2013). Understanding the composition of these businesses and their outcomes is crucial to assessing the current health and dynamics of local economies and their long-term development.

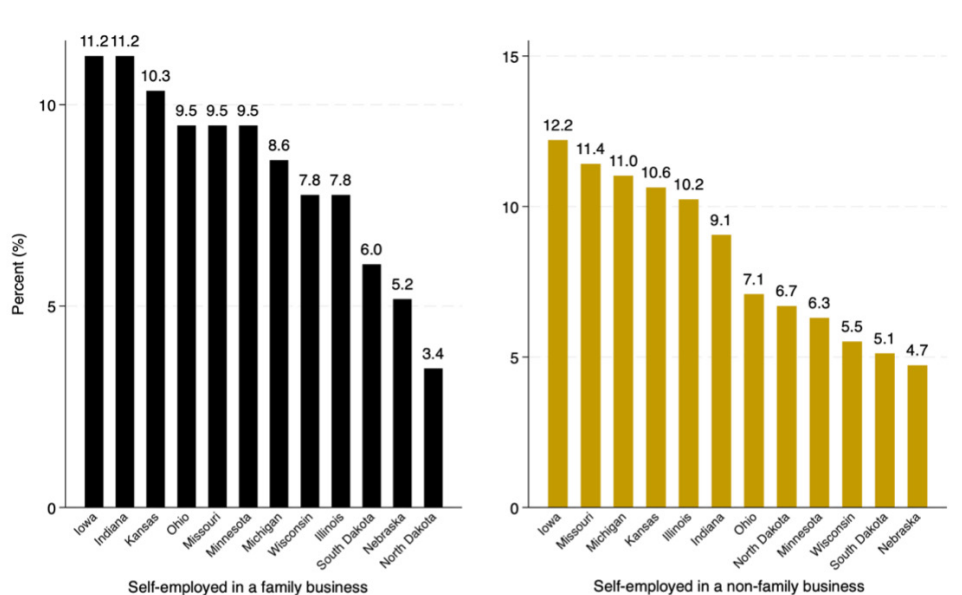
The Bureau of Labor Statistics (BLS) places self-employed workers into two categories, incorporated or unincorporated. The first ones have established legal corporations, while the latter have not established such corporations and often operate on their own (Vilorio, 2014), commonly known as sole proprietors. In this article, we analyze both categories through individuals who reported an employment status of self-employed full-time (usually working 35 or more hours per week) and self-employed part-time (working fewer than 35 hours per week). Figure 1 presents the composition of self-employment as analyzed in this article.

Figure 1
Self-employed composition



In Figure 2, we observe that in the Midwest, most self-employed individuals in a family business are residents of Iowa and Indiana (11.2%), closely followed by Kansas (10.3%) and Ohio, Missouri and Minnesota (9.5%), the least can be found in North Dakota (3.4%). On the other hand, for self-employed in non-family businesses, Iowa takes the lead at 12.2%, followed by Missouri (11.4%) and Michigan (11%). Indiana lies at the median at 9.1%, while the smallest percentage is that of Nebraska (4.7%), which also ranked second-to-last in family business self-employment (5.2%).

Figure 2
Self-employed individuals by state: family and non-family businesses (N=370)



Note: Only respondents under the age of 71 are included in the sample

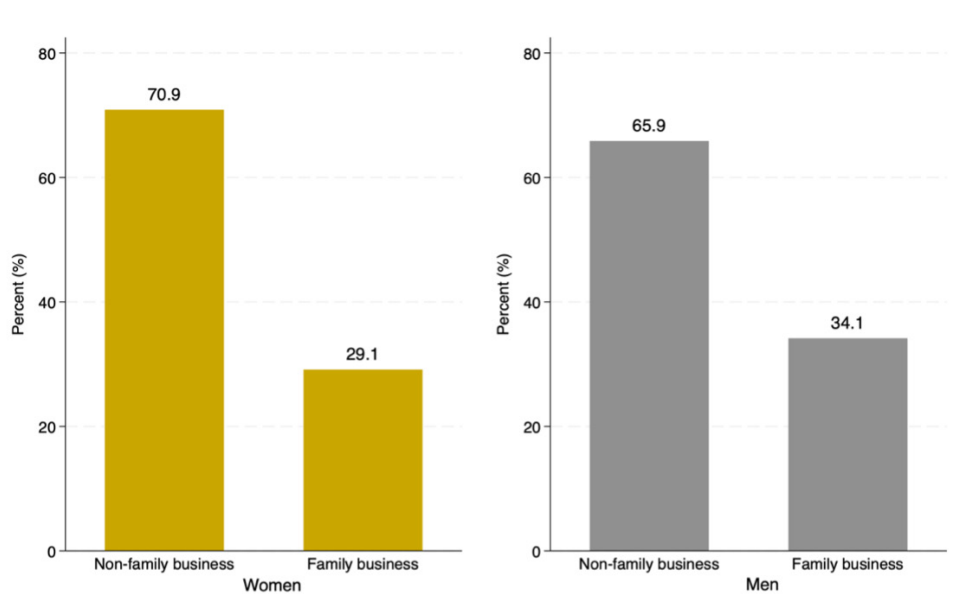
The Gap and Differences Across Gender

Self-employment is more prevalent among men than women. The gender gap in self-employment appears to be dictated by two main factors: family obligations and gender-dominated industries (Pew Research Center, 2015). Overall, the cumulative burden of gender expectations is amplified for women when it comes to entrepreneurship (Lanchimba, Llanos-Contreras, & Welsh, 2026) for both family and non-family businesses. Additionally, a study by Allen & Curington (2014) showed that women’s self-employment motivations are centered around family beneficial wealth, while men are motivated by pecuniary concerns.

In Figure 3, we analyze self-employment by gender. Note that women have a higher percentage of self-employment in non-family businesses (70.9%) than men (65.9%). Thus, men have a larger presence in family businesses (34.1%).

Figure 3

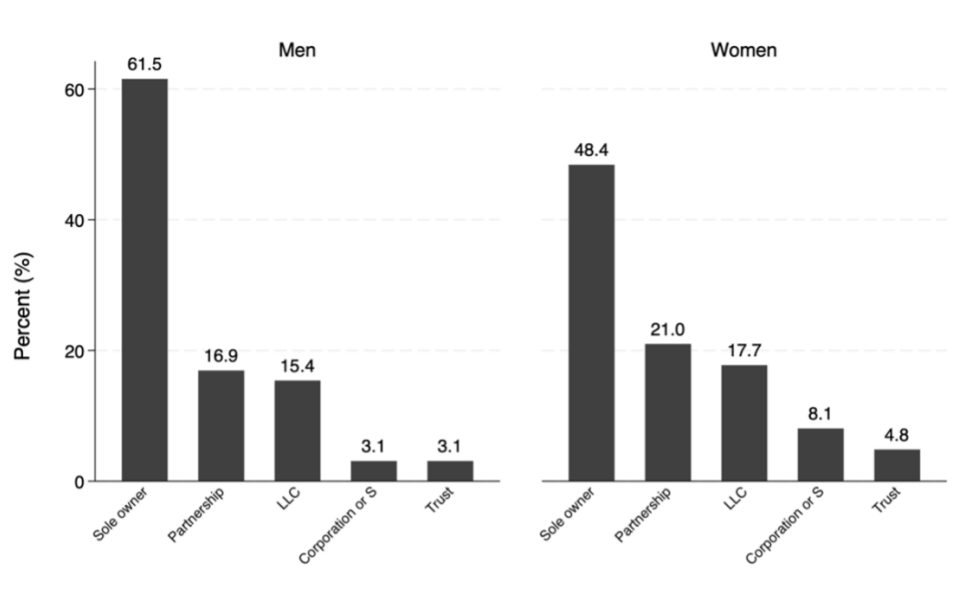
Self-employed individuals by gender: family and non-family business (N=370)



When looking into the overall business structure of self-employed individuals in family businesses by gender, we find that more men are sole proprietors (61.5%) than women (48.4%). We find that women participate more in all other business structures, particularly partnerships (21%) and LLCs (17.7%).

Figure 4

Self-employed in a family business by business structure (N=115)

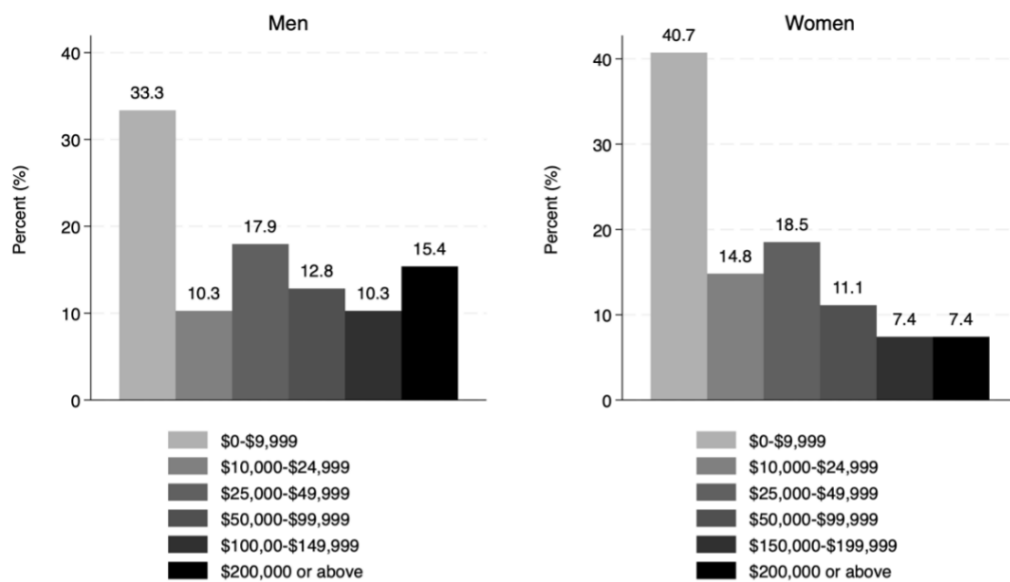


Note: LLC stands for Limited Liability Company, and for the Corporation or S category, the latter refers to S subchapter corporations.

Delving into sole proprietors, we analyze their profits by gender. We observe that more women (40.7%) than men (33.3%) have businesses that make less than \$10,000 in profit a year. Men are higher profit-earners (profit of \$150,000 or above) with 25.7% compared to 14.8% of women.

Figure 5

Self-employed family business sole owners by business profit (N=66)



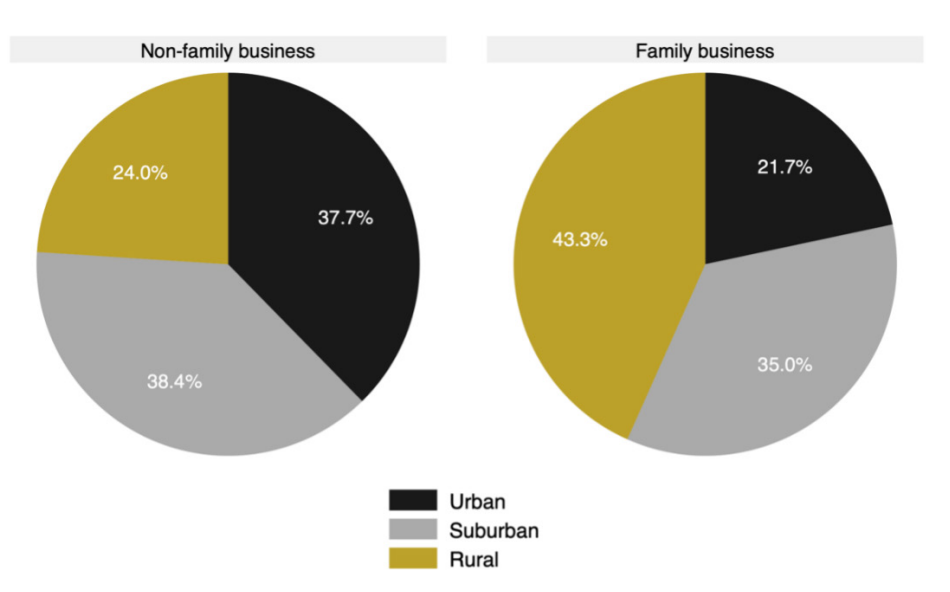
Women in Entrepreneurship

Taking a closer look at self-employed women, we analyze their presence by residential location and business status. Literature suggests that for rural resident females, commuting times to metropolitan areas may conflict with other responsibilities, including childcare, and may incentivize the creation of their own businesses due to increased flexibility and greater life-work balance (Alberts, 2008).

It seems that this finding is partially true, particularly when it comes to family businesses. Figure 6 shows that most self-employed women in family businesses live in rural areas (43.3%), followed by suburban areas (35%), and finally those living in urban locations (21.7%). Contrary to this large rural presence, when analyzing non-family businesses, we find that only 24% are residents of rural areas, while the percentage between suburban and urban is almost identical (38.4% and 37.7%, respectively).

Figure 6

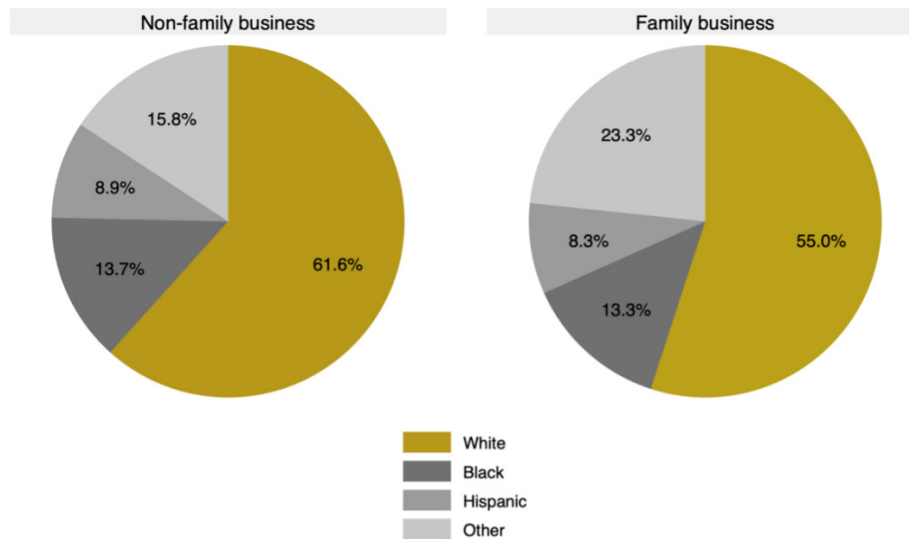
Self-employed women by residential location: family and non-family businesses
(N=206)



Analyzing the race of self-employed women by business type, we find that for both categories, more than half are White, 61.6% in non-family and 55% in family businesses; followed by Other, with 15.8% in non-family and 23.3% in family businesses. Black self-employed women follow with a much similar measure across (around 13.5% in both types), and finally Hispanic women, who represent around 8.6% in both family and non-family businesses.

Figure 7

Race of self-employed women: family and non-family business (N=206)



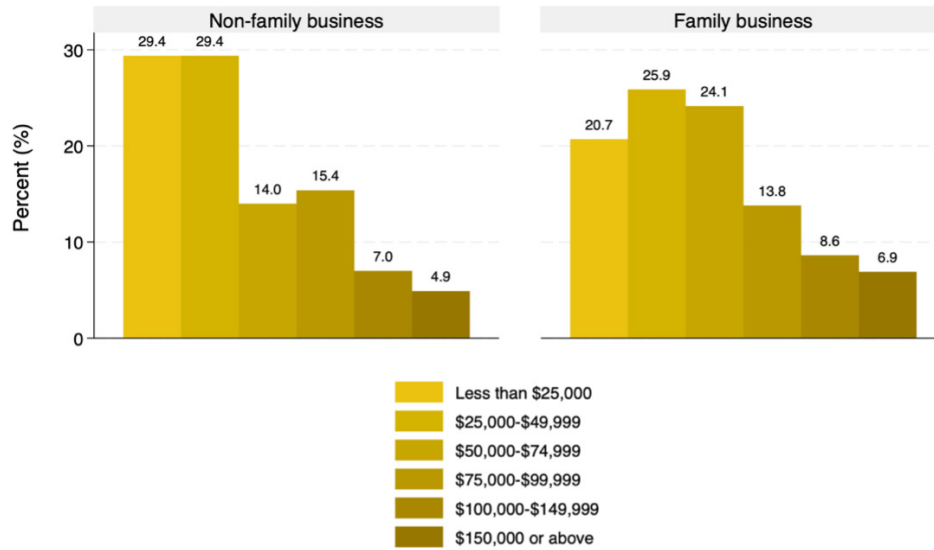
Note: Category 'Other' includes American Indian or Alaska Native, Asian, Middle Eastern or North African, Native Hawaiian and Other Pacific Islander, and some other races.

A recent study analyzed data from the U.S. Census Annual Business Survey (ABS) and found that women-owned family firms outperform women-owned non-family firms. And although family advantages help women achieve business success, when spouses co-own the business, these benefits diminish (Kushins & Quispe-Agnoli, 2025).

This conclusion matches our findings; Figure 8 analyzes self-employed women's annual income by type of business. First, note that a larger percentage of women earn less than \$25,000 a year when self-employed in a non-family business (29.4% for non-family, and 20.7% for family businesses). A much larger percentage of self-employed women in family businesses earn between \$50,000-\$74,999, that is 24.1% compared to 14% of those in non-family businesses. Finally, women in the highest-earning bracket (\$150,000 or above) are self-employed at a higher percentage in family businesses (6.9%) than in non-family businesses (4.9%). Hence, overall, the highest-earning self-employed women are present in family businesses (\$100,000 or above).

Figure 8

Self-employed women by income: family and non-family business (N=201)



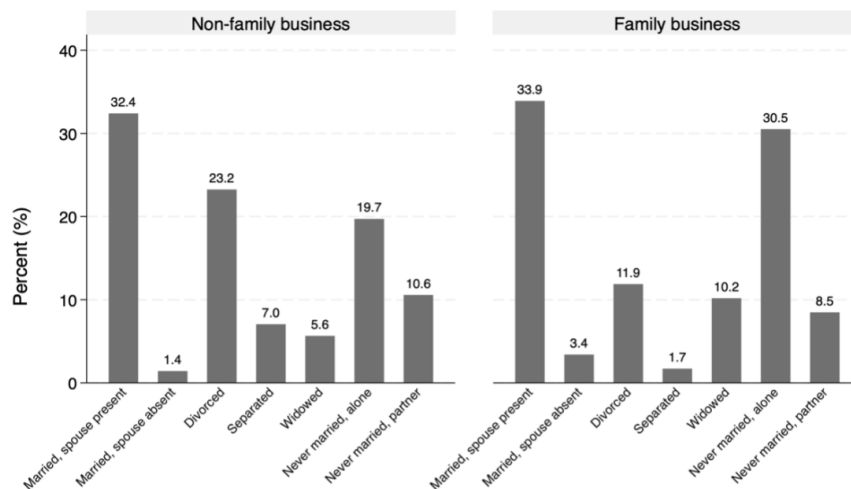
Analyzing self-employed women by marital status can provide a view into marital burdens and partners' support of entrepreneurship. Previous findings have shown that self-employment among married women is partially determined by husband's income level and more likely in households with children present (Macpherson, 1988).

We find across business types that married women with present spouses are the largest group of self-employed (32.4% on non-family and 33.9% on family business), as shown in Figure 9. Focusing on non-family business, the second-largest group is comprised by divorced women (23.2%), followed by never-married, living alone (19.7%). The smallest self-employed groups are widowed (5.6%) and married women with absent spouses (1.4%).

For family businesses, the second-largest group is never-married women living alone (30.5%), followed by those divorced (11.9%). Although reversed in second-largest proportion (divorced with 23.2%, followed by never married, women living alone with 19.7%), are the same groups as those on non-family businesses. The smallest groups are married women with absent spouses (3.4%) and finally women who are separated (1.7%).

Figure 9

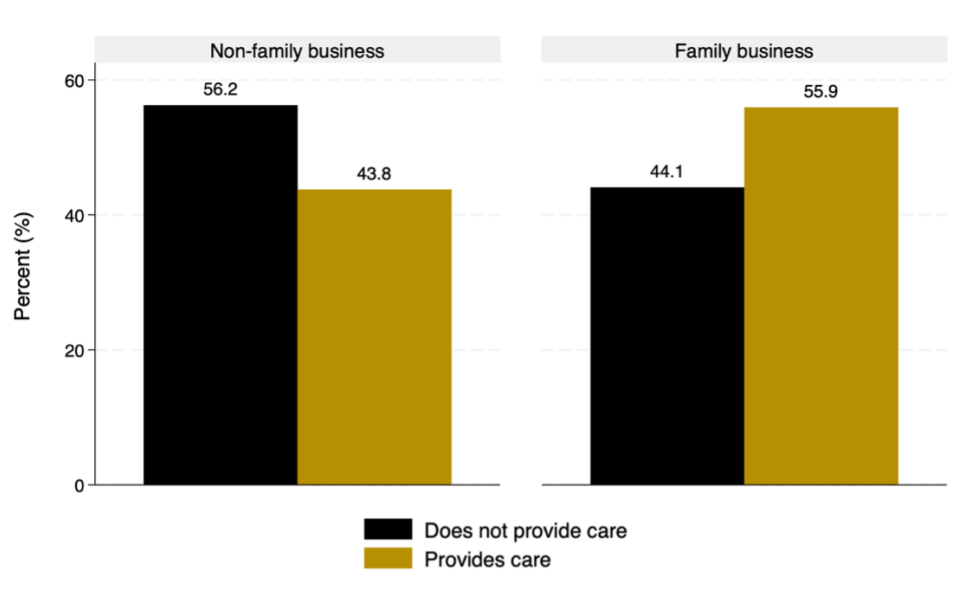
Self-employed women by marital status (N=206)



Overall, family firms tend to provide more female-valued advantages like increased work schedule flexibility. In the survey, as shown in Figure 10, we find that within self-employed women, those participating in family businesses are child carers at a higher proportion (55.9%) than those self-employed in non-family businesses (43.8%). A proportion that matches findings in the literature (Macpherson, 1988).

Figure 10

Self-employed women's childcare provided (N=206)



Note: 'Provides care' includes care for child/children ages 0 to 17 in the family household or someone else's child/children.

Conclusion

This article analyzed gender differences among the self-employed population in the Midwest with particular attention to distinctions between family and non-family businesses. The statistics shown highlight important patterns in the composition and outcomes of entrepreneurs across gender, business structure, and residential location.

The findings suggest that non-family businesses constitute the majority of self-employment for both men and women in the region (over 65%). However, in family businesses, more men than women are sole proprietors (61.5% and 48.4%, respectively), while women participate more in all other business structures, particularly partnerships (21%) and LLCs (17.7%). Additionally, female sole proprietors are disproportionately represented among lower-profit businesses, while men are more likely to operate higher-earning ventures. This disparity unveils the structural differences in the resources and opportunities available by gender.

When focusing only on self-employed women, the race composition across business types shows that women entrepreneurs are mainly White (on or above 55%). And across all women, the largest share of self-employed in family businesses are residents of rural locations (43.3%). Additionally, we find that a large percentage earn less than \$25,000, but the overall highest-earning women entrepreneurs are present in family businesses. In accordance with previous research, women in family businesses are child carers at a higher proportion (55.9%) than those self-employed in non-family businesses (43.8%).

Overall, these findings provide a look into self-employed individuals, particularly women, and highlight how business structure, household characteristics, and residential location intertwine to define outcomes of the self-employed population of the Midwest.

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